ILLINOIS FARM REPORT





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HIGHLIGHTS

AUGUST CROP REPORT LAND VALUES & CASH RENT AGRICULTURAL PRICES MILK PRODUCTION VEGETABLES

AUGUST CROP REPORT

The 2006 <u>Illinois</u> corn crop is expected to yield 172 bushels per acre, up 29 bushels per acre from last year's drought-reduced yield. This would be the second highest yield on record behind the 180 bushel yield in 2004, but above the 164 bushel yield in 2003. Production of corn for grain would be 1.97 billion bushels, 15 percent more than produced in 2005. After getting off to a slow start, most of the state's corn crop was planted during the last two weeks of April to move ahead of the average planting pace. Hot, humid conditions during the last few weeks of July have the corn crop advancing in maturity at a quick pace. As of August 6, 64 percent of the crop was in the dough stage, compared to 61 percent last year and 56 percent for the five-year average. Corn condition was rated at 19 percent excellent, 51 percent good, 22 percent fair, 6 percent poor, and 2 percent very poor.

The staff of the Illinois Field Office wishes to thank the farmers, ranchers and agribusinesses that responded to the August Yield Survey, the July Milk Production Survey, the July Prices Received Survey and the Vegetable Surveys. Your responses to these surveys are important to the agricultural community.

Soybean production in 2006 is expected to reach 452 million bushels, two percent above last year's production, but nine percent below the record high production set in 2004. Yield is forecast at 45 bushels per acre, two bushels below last year and five bushels below the record yield of 50.0 set in 2004. Planting got off to a slow start due to cool and wet weather, and did not near completion until early June. Dry weather prevailed from mid-June through mid-July slowing emergence and growth. During late July, soil moisture levels rebounded in most areas and have remained primarily adequate. Currently the crop is progressing near the five-year average. As of August 6, 69 percent of the crop was setting pods compared to 82 percent last year and 66 percent for the five-year average. The condition of the soybean crop was rated as 2 percent very poor, 6 percent poor, 24 percent fair, 52 percent good, and 16 percent excellent.

The 2006 winter wheat yield is estimated at 67 bushels per acre, down one bushel from the July 1 forecast but two bushels above the 2003 record yield for the state. With 870 thousand acres harvested for grain, production would equal 58.3 million bushels, 59 percent above last year.

CORN, 2005-2006

	Acres	planted	Acres for grain		Yield		Produ	Production	
District	2005	2006	2005	2006	2005	2006	2005	2006	
	1,000) acres	1,000	acres	Bus	shels	1,000 1	1,000 bushels	
Northwest	1,963	1,953	1,925	1,921	140	190	269,532.5	364,990	
Northeast	1,127	1,087	1,112	1,073	129	180	143,564.5	193,140	
West	1,155	1,105	1,137	1,092	141	161	160,204.9	175,812	
Central	1,692	1,579	1,678	1,564	146	176	245,204.2	275,264	
East	1,667	1,589	1,657	1,574	158	178	261,925.5	280,172	
West Southwest	1,697	1,596	1,681	1,581	151	163	253,740.9	257,703	
East Southeast	1,612	1,556	1,595	1,532	139	171	221,589.7	261,972	
Southwest	563	536	545	521	133	136	72,485.2	70,856	
Southeast	624	599	620	592	130	151	80,602.6	89,491	
ILLINOIS	12,100	11,600	11,950	11,450	143	172	1,708,850.0	1,969,400	

SOYBEANS, 2005-2006

			SOYBE	EANS, 2005-200)6				
	Acres planted		Acres fo	Acres for harvest		Yield		Production	
District	2005	2006	2005	2006	2005	2006	2005	2006	
	1,000) acres	1,000	acres	Bus	shels	1,000 b	ushels	
Northwest	991	992	986	987	48	50	47,330.5	49,350	
Northeast	762	812	758	807	44	45	33,364.7	36,315	
West	885	929	881	925	47	45	41,450.2	41,625	
Central	1,201	1,281	1,193	1,276	51	48	60,888.1	61,248	
East	1,334	1,396	1,328	1,391	51	48	67,761.5	66,768	
West Southwest	1,225	1,366	1,218	1,361	46	43	56,051.2	58,523	
East Southeast	1,557	1,669	1,550	1,661	46	45	71,311.4	74,745	
Southwest	820	858	816	853	42	38	34,304.8	32,414	
Southeast	725	797	720	789	44	40	31,687.6	31,262	
ILLINOIS	9,500	10,100	9,450	10,050	47	45	444,150.0	452,250	

U.S. CROP PRODUCTION

Corn production is forecast at 11.0 billion bushels, down one percent from last year and seven percent below 2004. Based on conditions as of August 1, yields are expected to average 152.2 bushels per acre, up 4.3 bushels from last year. If realized, yield would be the second largest and production would be the third largest on record. Forecast yields across the Great Plains and western Corn Belt are at or below last year as scarce precipitation and above normal temperatures depleted soil moisture levels and caused crop conditions to decline. Expected yields are generally higher than last year in the eastern Corn Belt and Ohio Valley as frequent rainfall and near normal temperatures throughout much of the growing season helped maintain adequate soil moisture. The largest yield increase from last year is in Illinois where farmers expect to average 172 bushels per acre, 29 bushels above last year's drought-reduced yield. The largest yield decreases are expected in Alabama, Mississippi, Georgia, and North Dakota

Soybean production is forecast at 2.93 billion bushels, down five percent from 2005 and down six percent from 2004. Based on August 1 conditions, yields are expected to average 39.6 bushels per acre, down 3.7 bushels from the record high U.S. yield set last year. Yields are lower than 2005 throughout the Great Plains, the western Corn Belt, and the Gulf Coast States, while yields are expected to remain unchanged or increase in the Ohio Valley, Arkansas, Missouri, and the Atlantic Coast States. Area for harvest, at 73.9 million acres, remains unchanged from June but is up four percent from 2005.

Winter wheat production is forecast at 1.28 billion bushels, up slightly from last month but 14 percent below 2005. Area harvested for grain totals 31.1 million acres, unchanged from last month but down eight percent from last year. The U.S. yield is forecast at 41.2 bushels per acre, up 0.1 bushel from July 1. Hard Red production is down fractionally from a month ago at 660 million bushels. Soft Red is up one percent from last month and now totals 380 million bushels. White production totals 243 million bushels, down one percent from last month. Of the White production total, 19.9 million bushels are Hard White and 223 million bushels are Soft White.

CROPS	S ACREAGE & PRODUC	TION, 2005-2006

Crop (Acres	Illin	iois	United	United States		
for harvest)	2005	2006	2005	2006		
	Acrea	age and produ	ction in thous	ands		
Corn, Grain						
Acres	11,950	11,450	75,107	72,091		
Yield, bu.	143.0	172.0	147.9	152.2		
Production	1,708,850	1,969,400	11,112,072	10,975,740		
<u>Soybeans</u>						
Acres	9,450	10,050	71,361	73,935		
Yield, bu.	47.0	45.0	43.3	39.6		
Production	444,150	452,250	3,086,432	2,927,634		
Winter Wheat, C	<u>Grain</u>					
Acres	600	870	33,794	31,108		
Yield, bu.	61.0	67.0	44.4	41.2		
Production	36,600	58,290	1,499,129	1,283,134		
Oats, Grain						
Acres <u>1</u> /	40	40	1,823	1,907		
Yield, bu.	79.0	70.0	63.0	56.3		
Production	3,160	2,800	114,878	107,423		
Sorghum, Grain						
Acres	83	87	5,736	5,317		
Yield, cwt.	92.0	109.0	68.7	55.8		
Production	7,636	9,483	393,893	296,453		
Alfalfa Hay						
Acres	400	420	22,389	22,407		
Yield, tons	3.50	4.40	3.38	3.18		
Production	1,400	1,848	75,771	71,205		
All Other Hay						
Acres	330	350	39,260	40,290		
Yield, tons	2.30	2.30	1.91	1.77		
Production	759	805	74,819	71,121		
<u>Apples</u>						
Mil. lbs.	49.0	53.0	9,864.9	9,619.7		
Peaches						
Tons	11,200	11,500	1,184,550	1,053,800		

WINTER WHEAT, 2005-2006

			W 11 V 1 1210	***************************************	2000				
	Acres planted		Acres fo	Acres for harvest		Yield		Production	
District	2005	2006	2005	2006	2005	2006	2005	2006	
	1,000	acres	1,000) acres	Bus	shels	1,000	bushels	
Northwest	22	36	20.5	35	68	80	1,394	2,793	
Northeast	32	44	30.0	43	77	79	2,310	3,397	
West	27	60	25.5	58	63	67	1,606	3,886	
Central	22	49	21.0	48	59	76	1,239	3,648	
East	40	63	38.0	62	74	81	2,812	5,022	
West Southwest	92	118	89.0	115	61	65	5,429	7,475	
East Southeast	119	143	114.0	139	59	71	6,726	9,869	
Southwest	199	281	187.0	267	57	60	10,659	16,020	
Southeast	77	106	75.0	103	59	60	4,425	6,180	
ILLINOIS	630	900	600.0	870	61	67	36,600	58,290	

LAND VALUES & CASH RENTS

FARM REAL ESTATE VALUES & CASH RENTS, ILLINOIS, JANUARY 1, 2002-2006

		Average value per acre	Average cash rent per acre		
Year	Farmland and buildings	Cropland	Pasture	Cropland	Pasture
			Dollars	<u> </u>	
2002	2,350	2,430	1,030	122.00	32.00
2003	2,430	2,500	1,060	123.00	32.50
2004	2,610	2,700	1,110	126.00	34.00
2005	3,330	3,370	1,720	129.00	34.50
2006	3,800	3,840	1,880	132.00	34.00

AGRICULTURAL PRICES

The July index of prices received by Illinois farmers for all commodities was 106 percent of the base, up four points from the revised June figure but 16 points below July 2005. The current year's base was computed by multiplying the average production for the five-year period by the average price for each year. These five years were summed and then divided by five to arrive at an average (base) for the period. The current five-year average production was then multiplied by the current price and divided by the average for the five years to arrive at the current index. The July All Crops index, at 106 percent of the base, was five points above the revised June number but 16 points below July 2005. All field crop prices increased slightly from last month with the exceptions of alfalfa hay and other hay. The All Livestock index was at 104 percent of the base, down three points from the revised June number and 15 points below July 2005. Prices for all hogs and barrows and gilts decreased from last month, while prices for sows increased. Calf prices decreased last month while prices for all other categories of cattle and all milk remained unchanged. The hog-corn ratio was at 20.6.

The <u>U.S.</u> preliminary All Farm Products Index of Prices Received by Farmers in July was 117, based on 1990-92=100, was unchanged from June. The Crop Index was down three points while the Livestock Index was unchanged. Producers received higher prices for cattle, broilers, asparagus, and snap beans. Lower prices were received for grapes, cantaloupes, hogs, and broccoli. The overall index is also affected by the seasonal change based on a three-year average mix of commodities producers sell. Increased average marketings of wheat, grapes, tomatoes, and hay offset decreased marketings of milk, cantaloupes, potatoes, and asparagus. Preliminary All Farm Products Index was up one point from July 2005.

INDEX	OF PRICES	RECEIVED	BY FARMERS

	June	July	June	July 15,
Commodity	2005	2005	2006	2006
ILLINOIS	1999-20	03=100	2000-20	004=100
All Farm Products	116	122	102 *	106
All Crops	116	122	101 *	106
Food grains	133	132	120 *	122
Feed grains/hay	103	113	103 *	111
Soybeans	131	134	97 *	99
All Livestock	118	119	107 *	104
Meat animals	117	119	109 *	106
Dairy products	121	120	96 *	98
UNITED STATES		1990-92	=100	
All Farm Products	119	116	117 *	117
All Crops	120	115	126 *	123
Food grains	108	107	134 *	137
Feed grains/hay	103	105	109 *	111
Oilseeds	119	119	101 *	100
All Livestock	117	117	110 *	110
Meat animals	119	115	116 *	116
Dairy products	110	113	91 *	91
Prices Paid	140	141	147 *	148
Parity Ratio 1/	84	82	80 *	79

^{1/} Prices received index divided by prices paid index.

PRICES RECEIVED BY FARMERS 1/

			Illin	nois			United States			
Commodity	Unit	June 2005	July 2005	June 2006	July 15, 2006	June 2005	July 2005	June 2006	July 15, 2006	
			_		Do	ollars				
Corn	Bushels	2.12	2.23	2.28 *	2.35	2.03	2.11	2.14 *	2.20	
Soybeans	Bushels	6.65	6.78	5.78 *	5.80	6.58	6.65	5.61 *	5.60	
Sorghum	Cwt.	3.58	<u>3</u> /	4.73 *	4.90	3.77	3.94	3.95 *	4.43	
Wheat, all	Bushels	3.26	3.22	3.23 *	3.30	3.23	3.20	4.01 *	4.09	
Oats	Bushels	2.20	1.77	2.25 *	2.30	1.75	1.59	1.93 *	1.89	
Hay, all baled	Tons	83.00	89.00	93.00	87.00	102.00	99.70	109.00 *	107.00	
Alfalfa hay, bld	Tons	89.00	97.00	97.00	94.00	112.00	109.00	115.00 *	113.00	
Other hay, bld	Tons	68.00	72.00	76.00	74.00	73.60	75.90	90.10 *	89.30	
Hogs, all	Cwt.	50.20	50.70	53.10 *	48.50	49.50	49.80	53.80 *	49.40	
Barrows, Gilts	Cwt.	51.00	52.00	55.00 *	50.00	49.90	50.40	54.70 *	50.30	
Sows	Cwt.	42.00	36.80	30.70 *	31.20	43.40	37.60	33.10 *	32.40	
Beef cattle	Cwt.	84.40	79.40	82.30 *	82.30	88.00	85.00	84.20 *	86.10	
Cows	Cwt.	53.50	52.00	46.00 *	46.00	56.80	53.80	46.70 *	47.00	
Steers, Heifers	Cwt.	85.00	80.00	83.00 *	83.00	91.50	88.20	88.50 *	90.40	
Calves	Cwt.	130.00	118.00	122.00 *	119.00	140.00	133.00	133.00 *	136.00	
Milk cows	Head	<u>2</u> /	1,850.00	<u>2</u> /	1,710.00	<u>2</u> /	1,830.00	<u>2</u> /	1,680.00	
Milk, all	Cwt.	14.90	14.90	13.30 *	13.30	14.40	14.80	11.90 *	11.90	
Milk, fluid	Cwt.	14.90	14.90	13.30	<u>3</u> /	14.40	14.80	11.90 *	11.90	
Milk, mfg.	Cwt.	14.10	14.40	13.40	<u>3</u> /	14.00	14.10	11.30 *	11.00	
Hog-corn ratio		23.7	22.7	23.3 *	20.6	24.4	23.6	25.1 *	22.5	

^{1/} Prices received represents the average of all grades or classes at point of first sale and should not be confused with market quotations.

^{*} Revised.

^{2/} Estimated in January, April, July and October.

^{3/} State prices not published.

^{*} Revised.

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MILK PRODUCTION

Milk production in <u>Illinois</u> during June 2006 totaled 164 million pounds, down one percent from June 2005. The number of milk cows on farms averaged 103,000 head, down one percent from June of last year. Milk per cow was down one percent from last year at 1,590 pounds.

Estimated milk production in the <u>U.S.</u> during June 2006 totaled 15.3 billion pounds, up one percent from June 2005. Production per cow averaged 1,673 pounds, up five pounds from last year. The number of milk cows on farms in the U.S. was 9.15 million head in June, up one percent from a year ago.

MILK PRODUCTION: ILLINOIS & UNITED STATES, JUNE 2005-2006

				Ju	ne		
		Illinois				United States	
		2005	2006	2006 as % of 2005	2005	2006	2006 as % of 2005
Milk Production:							
Number of milk cows	Head (000)	104	103	99	9,050	9,147	101
Milk production per cow	Lbs.	1,600	1,590	99	1,668	1,673	100
Total milk production	Mil. lbs.	166	164	99	15,087	15,303	101

VEGETABLES

Fresh market sweet corn acreage to be harvested in <u>Illinois</u> is estimated at 7,000 acres in 2006, up 13 percent from 2005. For the nine major producing states, acreage for harvest is estimated at 109,700, up one percent from 2005.

Snap beans for processing acreage in the <u>U.S.</u> is estimated at 195,190 acre, down nine percent from 2005.

Sweet corn for processing acreage in the <u>U.S.</u> is estimated at 401,100 acres, down five percent from 2005.

VEGETABLES: SWEET CORN & SNAP BEANS, ILLINOIS & U.S., 2005-2006

		Illinois		United States 1/			
	2005	2006	2006 as % of 2005	2005	2006	2006 as % of 2005	
	A	cres		Ac	cres		
Sweet Corn for Fresh Market							
To be harvested	6,200	7,000	113	108,300	109,700	101	
Snap Beans for Processing							
Contract planted	16,400	14,800	90	213,330	195,190	91	
Sweet Corn for Processing							
Contract planted	2/	2/		421,010	401,100	95	

^{1/} Fresh market sweet corn nine major producing states only.

Brad Schwab, Mark Schleusener, Michael S. Clark, Agricultural Statisticians "Printed by authority of the State of Illinois" 8/14/06, 2,025, 1399



^{2/} Acreage not published to avoid disclosure of individual operations.